

COUNTY OF LEHIGH
EMPLOYEES' RETIREMENT PLAN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2016



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COUNTY OF LEHIGH
EMPLOYEES' RETIREMENT PLAN
YEAR ENDED DECEMBER 31, 2016

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Independent Auditor's Report

To the Retirement Board of Trustees
County of Lehigh
Allentown, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the County of Lehigh Employees' Retirement Plan, which comprise the statement of fiduciary net position as of December 31, 2016, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the County of Lehigh Employees' Retirement Plan as of December 31, 2016, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of changes in the County's net pension liability and related ratios, schedule of county contributions, and schedule of investment returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting processes for placing the financial statements in the appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements. The supplemental schedule of assets held for investment is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplemental schedule of assets held for investment is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RKL LLP

October 26, 2017
Lancaster, Pennsylvania

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
STATEMENT OF FIDUCIARY NET POSITION

December 31, 2016

<u>ASSETS</u>	
CASH AND CASH EQUIVALENTS	\$ 16,562,719
RECEIVABLES:	
INTEREST AND DIVIDENDS	1,079,184
EMPLOYEE CONTRIBUTIONS	215,878
	<hr/>
TOTAL RECEIVABLES	1,295,062
INVESTMENTS: (AT FAIR VALUE)	
UNITED STATES GOVERNMENT AND MUNICIPAL OBLIGATIONS	46,448,614
CORPORATE AND FOREIGN BONDS	62,334,331
MORTGAGE/ASSET BACKED SECURITIES	7,886,771
COMMON STOCKS	106,320,585
MUTUAL FUNDS	184,381,857
ALTERNATIVE INVESTMENTS	35,247,262
	<hr/>
TOTAL INVESTMENTS	442,619,420
TOTAL ASSETS	<hr/> 460,477,201 <hr/>
<u>LIABILITIES</u>	
EMPLOYEE CONTRIBUTIONS REFUNDABLE	43,063
RETIREMENT AND DEATH BENEFITS PAYABLE	219,635
OTHER PAYABLES	211,611
DUE TO BROKERS	245,418
	<hr/>
TOTAL LIABILITIES	719,727
NET POSITION RESTRICTED FOR PENSION BENEFITS	<hr/> \$ 459,757,474 <hr/>

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

DECEMBER 31, 2016

ADDITIONS

CONTRIBUTIONS:	
EMPLOYEE	\$ 6,267,603
COUNTY	11,156,406
	<hr/> 17,424,009
INVESTMENT INCOME:	
INTEREST AND DIVIDENDS	10,088,951
NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS:	
UNITED STATES GOVERNMENT OBLIGATIONS	(485,774)
CORPORATE & FOREIGN BONDS	553,836
COMMON STOCKS	6,871,152
MUTUAL FUND ALTERNATIVES	1,532,542
MUTUAL FUND - COMMON STOCKS	9,361,315
MUTUAL FUND - CORPORATE BONDS	20,439
MUTUAL FUND - FOREIGN STOCKS	666,711
MUTUAL FUND - BALANCED	(284,964)
	<hr/> 18,235,257
LESS INVESTMENT EXPENSES:	<hr/> (1,315,936)
NET INVESTMENT INCOME	<hr/> 27,008,272
MISCELLANEOUS	<hr/> 180,093
TOTAL ADDITIONS	<hr/> 44,612,374
<u>DEDUCTIONS</u>	
EMPLOYEE CONTRIBUTIONS REFUNDED	896,654
RETIREMENT BENEFITS	29,730,396
DEATH BENEFITS	868,845
ADMINISTRATIVE EXPENSES	36,875
	<hr/> 31,532,770
TOTAL DEDUCTIONS	<hr/> 31,532,770
CHANGE IN NET POSITION	13,079,604
NET POSITION RESTRICTED FOR PENSION BENEFITS	
BEGINNING OF YEAR	<hr/> 446,677,870
END OF YEAR	<hr/> \$ 459,757,474 <hr/>

County of Lehigh Employees' Retirement Plan
Notes to Financial Statements
Year Ended December 31, 2016

NOTE 1 NATURE OF THE ENTITY

The County of Lehigh Employees' Retirement Fund (the Plan), a single-employer plan, was established in 1942 by the County of Lehigh (the County) and is a contributory defined benefit pension plan. Plan benefits and obligations are under the authority of Pennsylvania State Act Number 96 of 1971 and can be amended by Act of the General Assembly of the Commonwealth of Pennsylvania.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are made. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from estimates recorded.

Recent Accounting Pronouncements

On January 1, 2016, the Plan adopted the provisions of Statement No. 72, *Fair Value Measurement and Application*. This statement provides guidance for determining a fair value measurement for financial reporting purposes and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement also provides guidance for applying fair value to certain investments and disclosures related to fair value measurements (see Note 4). Adoption of this guidance did not have a material effect on the Plan's financial statements.

On January 1, 2016, the Plan adopted the provisions of Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement amends and defines the authoritative sources of accounting guidance for states and local governments. Adoption of this guidance did not have a material effect on the Plan's financial statements.

In March 2016, the GASB issued Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement amends and clarifies certain pension disclosures promulgated by Statements No. 67, 68 and 73. Statement No. 82 is effective for periods beginning after June 15, 2016.

NOTE 3 PLAN DESCRIPTION

Plan Administration

The Plan is administered by the Retirement Board of Trustees. Contributions to the Plan made by the County and its employees are accumulated and transferred to Wells Fargo Bank, the Plan’s custodian. The Plan’s assets are invested with the following investment advisors based on recommendations from Cornerstone Advisor’s Assets Management Inc., the Plan’s consultant: Agincourt Capital Management, LLC, American EuroPacific Growth Fund, CBRE Clarion Securities, LLC, CoreCommodities Strategy Fund, CompleteCommodities Strategy Fund, C. S. McKee, LP, Edgar Lomax Company, Emerald Advisors, Inc., Gabelli Associates Limited II E, John Hancock Global Absolute Return Strategies Fund, Nuveen Preferred Securities Fund, Sustainable Growth Advisors, LP, Vanguard Developed Markets Index Fund, Vanguard Short Term Investment Grade Admiral Fund, Vanguard SCV Index Fund, and Vanguard Institutional Index Fund and Vittoria Offshore Fund, Ltd.

Plan Membership

As of January 1, 2016, the most recent actuarial measurement date, pension plan membership consisted of the following:

Inactive plan members or beneficiaries	
currently receiving benefits	1,655
Inactive plan members entitled to benefits, but	
not yet receiving them	84
Active plan members	<u>1,879</u>
	<u><u>3,618</u></u>

Benefits Provided

An employee becomes fully vested after five years of service. Normal retirement age is attained when an employee reaches age 60, regardless of years of service, or age 55 and completion of 20 years of service.

An employee’s normal retirement benefit is the total of the employee’s annuity based upon the actuarial value of the employee’s accumulated contributions and a County annuity equal to the product of the final average salary (highest three years), applicable class rate, and length of membership service in each class. The County annuity will be increased in instances where a member has prior service credits. Disability retirement benefits are determined by using 25% of the final average salary for the three highest years.

Administrative costs of the Plan are financed through earnings of the Plan.

Contributions

An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the year ended December 31, 2016, the active member contribution rate was 5.0% of annual pay, and the County average contribution rate was 10.76%, of annual payroll.

NOTE 4 DEPOSITS AND INVESTMENTS

The cash and investments of the Plan are accumulated by the County and transferred to the Plan's custodian, Wells Fargo. Plan assets are invested by the Retirement Board of Trustees based on the recommendations of the Plan's investment advisors.

As of December 31, 2016, the County had the following debt investments and maturities within its Employees' Retirement Plan Fund:

Investment Type	Investment Maturities (in Years)				
	Fair Value	Less Than 1	1-5	6-10	More Than 10
U.S. government treasuries	\$ 20,031,730	\$ 1,795,178	\$ 6,249,848	\$ 6,152,141	\$ 5,834,563
U.S. government agencies	25,650,337	-	2,030,798	1,508,836	22,110,703
Municipal obligations	766,547	-	-	-	766,547
Corporate bonds	62,334,331	2,080,619	32,559,373	16,830,733	10,863,606
Mortgage/asset backed securities	7,886,771	-	2,330,126	249,947	5,306,698
Total	<u>\$ 116,669,716</u>	<u>\$ 3,875,797</u>	<u>\$ 43,170,145</u>	<u>\$ 24,741,657</u>	<u>\$ 44,882,117</u>

Interest Rate Risk - The Retirement Plan Investment Policy states that emphasis shall be placed on providing adequate and timely investment cash flow to permit benefit payments from the Plan when due. Fixed income investment allocation is targeted to 35% (with an allowable range of 20% - 45%) of the portfolio. The investments may be adjusted to meet economic and/or investment market conditions.

Credit Risk - The Retirement Investment Policy states that the overall rating of the fixed income assets shall be at least "A". In cases where the yield spread adequately compensates for additional risk, securities with a rating less than "A" can be purchased up to a maximum of 20% of the total market value of fixed income securities. The County is in compliance with the Retirement Investment Policy. Fixed income securities invested in mutual funds are excluded from the table below.

The Plan's investments had a credit rating as follows as of December 31, 2016:

<u>Credit Quality Rating</u>	<u>Percent of Investment Type</u>
AAA	7 %
AA+	44
AA	3
AA-	3
A+	4
A	15
A-	11
BBB+	6
BBB	6
BBB-	1

Custodial Credit Risk - For deposits and investments, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Retirement Investment Policy states that fixed income investments shall be high quality, marketable securities with a preponderance of the fixed income investments in (1) U.S. Treasury, Federal agencies and U.S. Government guaranteed obligations and (2) investment grade corporate assets including convertibles.

Cash and cash equivalents were collateralized with securities held by the pledging financial institutions, or their trust departments or agents, but not in the County's name.

The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy sets out a fair value hierarchy with the highest priority being quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Fair value measurements will be classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

The following tables present the balances of fair value measurement on a recurring basis by level within the hierarchy as of December 31, 2016:

Employee Retirement Plan

	Level 1	Level 2	Level 3	Total
Debt Securities				
Treasury obligations	\$ 20,031,730			\$ 20,031,730
Agency obligations		\$ 25,650,337		25,650,337
Municipal obligations		766,547		766,547
Corporate bonds		62,334,331		62,334,331
Mortgage/asset backed securities		7,886,771		7,886,771
	<u>20,031,730</u>	<u>96,637,986</u>	<u>0</u>	<u>116,669,716</u>
Common and Preferred Stocks				
Energy	7,849,298			7,849,298
Materials	3,513,628			3,513,628
Industrials	11,032,134			11,032,134
Consumer discretionary	13,954,303			13,954,303
Consumer staples	7,898,841			7,898,841
Health care	13,692,655			13,692,655
Financials	8,302,464			8,302,464
Information technology	20,399,233			20,399,233
Telecommunication services	2,509,570			2,509,570
Utilities	2,669,002			2,669,002
Real estate	14,499,457			14,499,457
	<u>106,320,585</u>	<u>0</u>	<u>0</u>	<u>106,320,585</u>
Mutual Funds				
Domestic equities	85,939,735			85,939,735
International equities	53,189,775			53,189,775
Commodities	11,768,966			11,768,966
Absolute return	12,221,149			12,221,149
Preferred equity	12,174,134			12,174,134
Short term fixed income	9,088,098			9,088,098
	<u>184,381,857</u>	<u>0</u>	<u>0</u>	<u>184,381,857</u>
Total investments measured by fair value level	<u>\$ 310,734,172</u>	<u>\$ 96,637,986</u>	<u>\$ 0</u>	<u>407,372,158</u>
Investments measured at the net asset value (NAV)				
International long/short hedge fund				23,000,000
Risk arbitrage hedge fund				12,247,262
				<u>35,247,262</u>
Total investments measured at fair value				<u>\$ 442,619,420</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table:

	Fair Value	Unfunded commitments	Redemption frequency	Redemption notice period
International long/short hedge fund (1)	\$ 23,000,000	N/A	Quarterly	60 days
Risk arbitrage hedge fund (2)	<u>12,247,262</u>	N/A	Monthly	30 days
Total investments measured at the NAV	<u>\$ 35,247,262</u>			

(1) This classification includes a hedge fund which seeks capital appreciation by investing in international equity positions. The fund's investments include primarily international long and short positions on international equities and long positions on absolute return investments. The fair value of the investments has been determined using the NAV per share (or its equivalent) of the investments. The fund has a lock-up period of one year which has been waived by the general partner. The fund manager may impose a gate of up to 15% of capital per quarter.

(2) This classification includes a hedge fund which seeks capital appreciation by investing in risk arbitrage transactions in connection with mergers, consolidations, acquisitions and similar transactions. The fund's investments include primarily US Government bonds, long and short position on domestic equities. The fair value of the investments has been determined using the NAV per share (or its equivalent) of the investments. In addition to the stated redemption notice and frequency period, the fund may levy a 2% fee on shareholder redemption who has been shareholder for less than twelve months.

Investment policy - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's asset allocation policy as of December 31, 2016:

Asset Class	Target Allocation
Domestic equity	25-45 %
International equity	5-25
Fixed income	20-45
Alternatives	0-20
Cash	<u>0-15</u>
Total	<u>100 %</u>

Rate of Return - For the year ended December 31, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 5.90%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 5 NET PENSION LIABILITY OF THE COUNTY

The components of the net pension liability of the County at December 31, 2016 were as follows:

Total pension liability	\$ 544,489,870
Plan fiduciary net position	<u>459,757,474</u>
County's net pension liability	<u>\$ 84,732,396</u>
Plan fiduciary net position as a percentage of the total pension liability	84.44%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary increases	4.0%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2013 Annuitant and Non - Annuitant Mortality Tables for Males and Females with no projected improvement.

The actuarial assumptions used in the January 1, 2016 valuation were based on past experience under the plan and reasonable future expectations which represent our best estimate of anticipated experience under the Plan. An experience study has not been performed in the last five years.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation for the 2016 measurement period (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	5.4-6.4 %
International equity	5.5-6.5
Fixed income	1.3-3.3
Cash	0.0-1.0
Alternatives	4.5-5.5

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (i.e. no depletion date is projected to occur).

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County as of the 2016 measurement period, calculated using the discount rate of 7.5%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.5 percent) or one-percentage-point higher (8.5 percent) than the current rate:

	1% Decrease (6.5)%	Current Discount Rate (7.5)%	1% Increase (8.5)%
County's Net Pension Liability	<u>\$ 144,711,661</u>	<u>\$ 84,732,396</u>	<u>\$ 35,590,059</u>

NOTE 6 SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through October 26, 2017. This is the date the financial statements were available to be issued. No material events subsequent to December 31, 2016 were noted.

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF CHANGES IN THE COUNTY'S NET
PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u> ⁽¹⁾	<u>2014</u> ^{(1) (2)}
TOTAL PENSION LIABILITY			
SERVICE COST	\$ 10,874,331	\$ 10,790,875	\$ 11,310,997
INTEREST	38,883,632	37,573,900	35,900,234
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE	(629,408)	3,615,214	385,509
BENEFIT PAYMENTS, INCLUDING REFUNDS OF MEMBER CONTRIBUTIONS	<u>(31,495,895)</u>	<u>(29,127,092)</u>	<u>(27,050,997)</u>
NET CHANGE IN TOTAL PENSION LIABILITY	17,632,660	22,852,897	20,545,743
TOTAL PENSION LIABILITY - BEGINNING	<u>526,857,210</u>	<u>504,004,313</u>	<u>483,458,570</u>
TOTAL PENSION LIABILITY - ENDING (a)	<u><u>\$ 544,489,870</u></u>	<u><u>\$ 526,857,210</u></u>	<u><u>\$ 504,004,313</u></u>
PLAN FIDUCIARY NET POSITION			
CONTRIBUTIONS - EMPLOYER	\$ 11,156,406	\$ 10,711,406	\$ 10,265,444
CONTRIBUTIONS - MEMBER	6,267,603	6,138,640	6,294,826
NET INVESTMENT INCOME	27,008,272	(1,731,653)	25,991,473
BENEFIT PAYMENTS, INCLUDING REFUNDS OF MEMBER CONTRIBUTIONS	(31,495,895)	(29,127,092)	(27,050,997)
ADMINISTRATIVE EXPENSE	(36,875)	(57,934)	(46,798)
OTHER	<u>180,093</u>	<u>23,903</u>	<u>23,158</u>
NET CHANGE IN PLAN FIDUCIARY NET POSITION	13,079,604	(14,042,730)	15,477,106
PLAN FIDUCIARY NET POSITION - BEGINNING	<u>446,677,870</u>	<u>460,720,600</u>	<u>445,243,494</u>
PLAN FIDUCIARY NET POSITION - ENDING (b)	<u>459,757,474</u>	<u>446,677,870</u>	<u>460,720,600</u>
COUNTY'S NET PENSION LIABILITY - ENDING (a) - (b)	<u><u>\$ 84,732,396</u></u>	<u><u>\$ 80,179,340</u></u>	<u><u>\$ 43,283,713</u></u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	84.44%	84.78%	91.41%
COVERED-EMPLOYEE PAYROLL	\$ 103,664,965	\$ 102,995,368	\$ 108,186,851
COUNTY'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	81.74%	77.85%	40.01%

(1) Balances have been restated to correct an error in the actuarial calculation of the County's total and net pension liability encountered during the implementation of GASB Statements No. 67 and 68

(2) Data prior to 2014 is not available

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF COUNTY CONTRIBUTIONS
Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
ACTUARIALLY DETERMINED CONTRIBUTION	\$ 11,156,406	\$ 10,711,406	\$ 10,265,444	\$ 12,372,805	\$ 11,076,512	\$ 10,428,623	\$ 9,632,648	\$ 8,046,712	\$ 3,475,185	\$ 4,979,055
CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	<u>11,156,406</u>	<u>10,711,406</u>	<u>10,265,444</u>	<u>12,372,805</u>	<u>11,076,512</u>	<u>10,428,623</u>	<u>9,632,648</u>	<u>8,046,712</u>	<u>3,475,185</u>	<u>4,979,055</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
COVERED EMPLOYEE PAYROLL	\$ 103,664,965	\$ 102,995,368	\$ 108,186,851	\$ 108,693,112	\$ 109,197,576	\$ 109,572,720	\$ 108,008,635	\$ 104,774,896	\$ 98,169,076	\$ 93,591,263
CONTRIBUTIONS AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	10.76%	10.40%	9.49%	11.38%	10.14%	9.52%	8.92%	7.68%	3.54%	5.32%

NOTES TO SCHEDULE

VALUATION DATE January 1, 2016 January 1, 2015 January 1, 2014 January 1, 2013 January 1, 2012 January 1, 2011 January 1, 2010 January 1, 2009 January 1, 2008 January 1, 2007

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported

METHODS AND ASSUMPTIONS USED TO DETERMINE CONTRIBUTION RATES:

ACTUARIAL COST METHOD	Entry age
AMORTIZATION METHOD	Level dollar
REMAINING AMORTIZATION PERIOD	24 years
ASSET VALUATION METHOD	Market value adjusted for unrecognized gains and losses from prior years
INFLATION	3.0%
SALARY INCREASES	4.0% average, including inflation
INVESTMENT RATE OF RETURN	7.5%, net of pension plan investment expense, including inflation
RETIREMENT AGE	Age 60 or 55 with 20 years of service
MORTALITY	2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

	<u>2016</u>	<u>2015</u>	<u>2014⁽¹⁾</u>
ANNUAL MONEY-WEIGHTED RATE OF RETURN, NET OF INVESTMENT EXPENSE	5.90 %	(0.13) %	6.71 %

(1) Data prior to 2014 is not available

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENT AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
<u>U.S. TREASURY NOTES AND BONDS</u>			
660,000	US TREASURY BOND 2.250% 8/15/46	\$ 592,873	\$ 554,941
860,000	US TREASURY BOND 2.500% 2/15/46	768,882	764,187
736,000	US TREASURY BOND 2.500% 5/15/46	753,936	654,061
262,000	US TREASURY BOND 2.875% 8/15/45	264,515	252,125
298,000	US TREASURY BOND 2.875% 11/15/46	289,213	287,710
2,645,000	US TREASURY BOND 4.500% 8/15/39	3,484,377	3,321,539
777,000	US TREASURY BOND 0.750% 12/31/17	776,800	775,726
1,635,000	US TREASURY BOND 1.375% 8/31/20	1,618,554	1,618,012
280,000	US TREASURY BOND 1.500% 12/31/18	281,509	281,630
107,000	US TREASURY BOND 1.625% 2/15/26	103,690	99,979
997,000	US TREASURY BOND 1.625% 5/15/26	994,031	929,703
2,102,000	US TREASURY BOND 1.625% 12/31/19	2,127,373	2,112,342
1,011,000	US TREASURY BOND 1.875% 10/31/17	1,019,758	1,019,452
630,000	US TREASURY BOND 2.000% 2/15/22	630,396	630,983
427,000	US TREASURY NOTE 2.000% 2/15/25	428,017	415,591
842,000	US TREASURY NOTE 2.000% 5/31/21	864,321	847,161
275,000	US TREASURY NOTE 2.000% 11/15/26	265,060	264,591
1,050,000	US TREASURY NOTE 2.375% 8/15/24	1,122,695	1,054,883
784,000	US TREASURY NOTE 2.500% 8/15/23	809,221	797,900
1,345,000	US TREASURY NOTE 2.625% 8/15/20	1,423,908	1,390,703
1,896,000	US TREASURY NOTE 2.750% 11/15/23	1,962,696	1,958,511
	TOTAL U.S. TREASURY NOTES AND BONDS	20,581,825	20,031,730
<u>GOVERNMENT AGENCY</u>			
580,000	FED NATL MTG ASSN 2.125% 4/24/26	583,323	548,500
85,000	FED NATL MTG ASSN 5.625% 7/15/37	114,071	113,358
1,545,000	VR FED HOME LN MTG ASSN 1.000% 9/15/21	1,545,000	1,535,513
500,000	VR FED HOME LN MTG 1.000% 7/28/21	500,000	495,285
195,369	FHLMC POOL #A89941 4.500% 11/01/39	202,696	210,057
69,391	FHLMC POOL #A96413 4.000% 1/01/41	69,388	73,263
878,787	FHLMC POOL #C04444 3.000% 1/01/43	908,863	878,427
514,087	FHLMC POOL #C09022 3.000% 1/01/43	526,198	513,876
49,225	FHLMC POOL #C91335 4.000% 9/01/30	52,886	52,223
377,925	FHLMC POOL #C91485 3.500% 8/01/32	402,254	391,908
215,100	FHLMC POOL #C91793 3.500% 10/01/34	227,401	222,441
520,537	FHLMC POOL #E09015 2.500% 12/01/27	543,718	522,245
379,383	FHLMC POOL #E09021 2.500% 1/01/28	387,073	380,631
398,962	FHLMC POOL #G08525 3.000% 5/01/43	402,771	398,308
279,693	FHLMC POOL #G08528 3.000% 4/01/43	286,658	279,578
503,376	FHLMC POOL #G08537 3.000% 7/01/43	507,026	502,339
227,681	FHLMC POOL #G08640 3.000% 5/01/45	228,964	226,324
1,465,989	FHLMC POOL #G08653 3.000% 7/01/45	1,484,398	1,457,266
165,687	FHLMC POOL #G08711 3.500% 6/01/46	171,318	169,811
346,375	FHLMC POOL #G08716 3.500% 7/01/46	355,467	355,003
143,490	FHLMC POOL #G08720 4.500% 7/01/46	153,310	154,284
178,555	FHLMC POOL #G08737 3.000% 11/01/46	179,420	177,485
186,000	FHLMC POOL #G08741 3.000% 12/01/46	182,483	184,886
120,171	FHLMC POOL #G30688 3.500% 4/01/34	124,377	124,306
463,982	FHLMC POOL #G60498 4.000% 2/01/46	498,490	487,724
69,374	FHLMC POOL #Q13086 3.000% 11/01/42	72,724	69,346
145,127	FHMA PL #MA2055 4.000% 10/01/34	155,785	154,225
50,604	FNMA POOL #AA5223 4.000% 3/01/39	52,431	53,598
125,357	FNMA POOL #AB2172 4.000% 2/01/41	130,920	132,695
91,065	FNMA POOL #AB3865 3.500% 11/01/41	93,228	93,915
126,508	FNMA POOL #AD2907 4.500% 4/01/25	136,273	133,353
54,474	FNMA POOL #AD6960 4.500% 7/01/40	55,972	58,842
59,462	FNMA POOL #AD8268 4.500% 9/01/40	60,872	64,065
68,102	FNMA POOL #AE7582 4.500% 11/01/40	69,591	73,547
283,532	FNMA POOL #AE7758 3.500% 11/01/25	292,163	295,755
435,889	FNMA POOL #AE9093 4.000% 12/01/40	439,022	459,994
35,654	FNMA POOL #ASH0257 4.000% 12/01/40	34,721	37,498
127,852	FNMA POOL #AH3394 4.000% 1/01/41	131,867	134,664
1,071,326	FNMA POOL #AH3394 4.000% 1/01/41	1,144,892	1,128,407

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENT AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
509,210	FNMA POOL #AH3431 3.500% 1/01/26	527,504	531,228
93,718	FNMA POOL #AH3586 4.000% 1/01/41	94,721	98,899
113,724	FNMA POOL #AH3986 4.000% 2/01/41	117,420	119,803
83,815	FNMA POOL #AH7284 4.000% 3/01/41	87,177	88,480
90,759	FNMA POOL #AH9719 4.500% 4/01/41	94,431	97,832
102,720	FNMA POOL #AK4940 3.500% 3/01/42	106,151	105,946
189,018	FNMA POOL #AK7347 3.500% 3/01/42	196,933	194,961
251,385	FNMA POOL #AL5521 4.500% 1/01/40	273,753	271,870
41,519	FNMA POOL #AL6345 4.000% 11/01/28	44,425	43,842
274,780	FNMA POOL #AL8924 3.000% 12/01/30	283,367	282,386
41,458	FNMA POOL #A08044 3.500% 7/01/42	44,464	42,760
113,154	FNMA POOL #AP7553 3.000% 9/01/42	118,299	113,123
88,194	FNMA POOL #AR7391 3.000% 6/01/43	90,743	88,169
533,942	FNMA POOL #AS4578 4.000% 3/01/45	567,647	565,728
1,335,633	FNMA POOL #AS6830 3.500% 3/01/46	1,406,094	1,370,039
117,471	FNMA POOL #AS7112 3.500% 5/01/46	124,125	120,510
239,410	FNMA POOL #AS7343 3.000% 6/01/46	246,474	238,096
627,099	FNMA POOL #AS7388 3.500% 6/01/46	646,442	643,304
127,403	FNMA POOL #BA0849 3.500% 4/01/46	133,893	130,703
431,261	FNMA POOL #BC6009 3.500% 5/01/46	443,178	442,431
44,462	FNMA POOL #MA0514 4.000% 9/01/40	46,487	46,894
149,934	FNMA POOL #MA0735 4.000% 4/01/41	152,464	158,324
67,997	FNMA POOL #MA1029 3.500% 4/01/32	72,395	70,720
300,582	FNMA POOL #MA1982 3.500% 8/01/34	315,857	311,890
208,721	FNMA POOL #MA2019 4.000% 8/01/34	224,066	221,545
286,019	FNMA POOL #MA20146 3.500% 10/01/34	301,447	296,980
144,936	FNMA POOL #MA2079 4.000% 10/01/34	155,693	154,022
117,323	FNMA POOL #MA2110 3.500% 11/01/34	122,749	121,898
228,166	FNMA POOL #MA2138 3.500% 12/01/34	241,711	236,510
173,639	FNMA POOL #MA2176 3.000% 1/01/35	179,771	175,982
236,140	FNMA POOL #MA2578 3.500% 3/01/46	249,046	242,218
172,883	FNMA POOL #MA2806 3.000% 10/01/46	173,694	171,934
106,855	FNMA POOL #725027 5.000% 11/01/33	118,876	117,376
557,370	FNMA POOL #725946 5.500% 11/01/34	606,989	625,080
311,499	FNMA POOL #735591 5.000% 6/01/35	333,306	341,929
146,766	FNMA POOL #888637 6.000% 9/01/37	162,177	166,148
132,433	FNMA POOL #932389 4.500% 1/01/40	137,684	142,685
13,614	FNMA POOL #995050 6.000% 9/01/37	14,996	15,416
2,411,769	GNMA II POOL #MA0783 3.500% 2/20/43	2,532,815	2,518,659
219,336	GNMA II POOL #MA1157 3.500% 5/20/42	228,931	229,057
334,099	GNMA II POOL #MA3663 3.500% 5/20/46	345,532	347,677
2,218	GNMA POOL #478975 8.500% 12/15/29	2,280	2,338
	TOTAL GOVERNMENT AGENCY	25,874,221	25,650,337
	MUNICIPAL TAXABLE BONDS		
670,000	OHIO ST UNIV GEN RCP 4.910% 6/01/40	659,223	766,547
	TOTAL MUNICIPAL TAXABLE BONDS	659,223	766,547
	TOTAL U.S. GOVERNMENT OBLIGATIONS	\$ 47,115,269	\$ 46,448,614

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
<u>CORPORATE BONDS</u>			
315,000	ABBVIE INC 2.900% 11/06/22	\$ 315,629	\$ 311,141
260,000	ACE INA HOLDINGS 2.300% 11/03/20	258,380	259,940
30,000	ACE INA HOLDINGS 2.875% 11/03/22	31,032	30,245
90,000	AIR PRODUCTS & CHEMI 2.750% 2/03/23	88,732	89,876
165,000	ALLSTATE CORP 7.450% 5/16/19	206,469	184,386
123,000	AMER AIRLINE 16-3 AA 3.00% 10/15/28	123,000	116,543
101,540	AMER AIRLINE 15-2 AA 3.600% 9/22/27	101,540	100,905
20,000	AMERIMOVIL SA DE 6.375% 3/01/35	23,604	23,223
100,000	AMERICA MOVIL SAB DE 6.125% 11/15/37	117,380	113,168
265,000	AMERICAN EXPRESS 7.000% 3/19/18	330,769	281,613
10,000	AMERICAN EXPRESS 1.800% 7/31/18	10,046	10,013
165,000	AMERICAN EXPRESS 2.125% 3/18/19	164,688	165,658
108,000	AMERICAN EXPRESS 2.600% 9/14/20	110,981	108,903
110,000	AMERPRISE FINANCIAL 4.000% 10/15/23	115,546	115,363
275,000	AMERPRISE FINANCIAL 5.300% 3/15/20	307,904	298,075
99,000	AMGEN INC 2.250% 8/19/23	98,752	93,129
150,000	AMGEN INC 3.625% 5/22/24	158,310	152,586
45,000	AMGEN INC 3.875% 11/15/21	48,850	47,107
135,000	ANALOG DEVICES INC 3.900% 12/15/25	136,277	138,333
45,000	ANALOG DEVICES INC 5.300% 12/15/45	50,225	49,484
60,000	ANHEUSER-BUSCH INBEV 2.500% 7/15/22	58,742	59,053
485,000	ANHEUSER-BUSCH INBEV 3.300% 2/01/23	483,276	493,599
381,000	ANHEUSER-BUSCH INBEV 4.700% 2/01/36	377,822	400,762
10,000	ANHEUSER-BUSCH INBEV 4.700% 2/01/36	11,059	10,519
199,000	ANHEUSER-BUSCH INBEV 7.750% 1/15/19	245,332	221,660
408,000	APPLE INC 2.400% 5/03/23	391,263	397,278
237,000	APPLE INC 4.650% 2/23/46	260,844	255,924
507,000	AT&T INC 3.400% 5/15/25	503,040	488,657
300,000	AT&T INC 3.800% 3/15/22	314,777	307,542
45,000	AT&T INC 5.350% 9/01/40	44,692	46,215
30,000	AT&T INC 6.400% 5/15/38	33,102	34,429
60,000	ATMOS ENERGY CORP 4.125% 10/15/44	63,283	59,678
660,000	BANK OF AMERICA CORP 3.300% 1/11/23	655,359	662,204
380,000	BANK OF AMERICA CORP 5.625% 7/01/20	426,580	417,829
90,000	BANK OF AMERICA NA 5.650% 5/01/18	99,676	94,298
240,000	BANK OF AMERICA NA 5.650% 5/01/18	269,241	251,462
323,000	BANK OF NEW YORK MEL 2.100% 1/15/19	322,596	324,428
285,000	BANK OF NOVA SCOTIA 1.650% 6/14/19	284,983	282,389
245,000	BARCLAYS BANK/DELAWA 1.100% 3/26/18	245,000	241,203
250,000	BARCLAYS PLC 3.650% 3/16/25	249,213	241,705
435,000	BEAR STEARNS CO INC 6.400% 10/02/17	499,173	450,638
193,000	BERKSHIRE HATHAWAY 2.750% 3/15/23	192,750	192,276
130,000	BERKSHIRE HATHAWAY 3.000% 5/15/22	129,656	132,461
210,000	BHP BILLITON FIN USA 3.850% 9/30/23	219,004	222,251
100,000	BOEING CO DEB 8.750% 8/15/21	144,583	126,460
87,000	BP CAPITAL MARKETS 1.674% 2/13/18	87,000	87,088
54,000	BP CAPITAL MARKETS 2.750% 5/10/23	55,113	53,015
167,000	BP CAPITAL MARKETS 3.216%	167,000	168,668
90,000	BP CAPITAL MARKETS 3.216%	89,794	90,899
130,000	BP CAPITAL MARKETS 3.245%	132,064	132,747
210,000	BRITISCH TELECOM PLC 8.625% 12/15/30	308,767	320,393
280,000	BUNGE LIMITED FINANC 8.500% 6/15/19	344,467	320,782
165,000	BURLINGTON NORTH SANT 3.850% 9/01/23	181,723	174,728
285,000	BURLINGTON NORTH SANT 4.550%	320,305	303,026
10,000	BURLINGTON RESOUR 7.200% 8/15/31	14,038	12,890
105,000	CANADIAN NATL RESOUR 5.700% 5/15/17	121,802	106,563
30,000	CANADIAN PACIFIC RR 4.500% 1/15/22	33,201	32,231
160,000	CANADIAN PACIFIC RR 7.250% 5/15/19	201,778	179,054
250,000	CAPITAL ONE BANK USA 2.250% 2/13/19	249,075	251,118
169,000	CAPITAL ONE FINANCIA 4.200% 10/29/25	169,417	169,563

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
15,000	CAPITAL ONE FINANCIA 4.750% 7/15/21	16,487	16,224
325,000	CAPITAL ONE FINANCIA 6.750% 9/15/17	393,383	336,609
250,000	CAPITAL ONE NA 2.250% 9/13/21	249,613	243,928
124,000	CATERPILLAR FINL SER 1.700% 8/08/21	123,746	119,103
216,000	CATERPILLAR INC 3.400% 5/15/24	227,980	222,435
155,000	CATERPILLAR INC 7.900% 12/15/18	185,505	173,006
268,000	CHEVRON CORP 2.355% 12/05/22	268,448	263,004
425,000	CHEVRON CORP 2.419% 11/17/20	427,062	428,026
176,000	CHEVRON CORP 2.954% 5/16/26	176,000	173,126
490,000	CITIGROUP INC 1.800% 2/5/18	489,559	489,726
170,000	CITIGROUP INC 2.050% 12/07/18	169,976	169,981
350,000	CITIGROUP INC 2.550% 4/08/19	352,272	352,849
335,000	CITIGROUP INC 2.700% 3/30/21	338,240	334,233
125,000	CITIGROUP INC 2.900% 12/08/21	125,133	124,663
252,000	CITIGROUP INC 3.200% 10/21/26	251,851	240,967
60,000	CITIGROUP INC 3.400% 5/01/26	59,879	58,300
10,000	CITIGROUP INC 4.500% 1/14/22	10,878	10,662
120,000	COCA-COLA CO/THE 2.875% 10/27/25	124,979	118,418
300,000	COCA-COLA ENTERPRISE 3.500% 9/15/20	312,334	309,279
285,000	COMCAST CORP 5.150% 3/01/20	317,859	311,097
120,000	COMCAS CORP 6.450% 3/15/37	153,871	154,938
200,000	CONCOPHILLIPS 6.500% 2/01/39	246,747	253,182
300,000	CONOCOPHILLIPS COMPA 2.400% 12/15/22	277,502	290,076
245,000	CONS EDISON CO OF NY 7.125% 12/01/18	292,231	269,747
160,000	CONSTELLATIONS BRANDS 4.750% 11/15/24	172,200	169,840
125,000	CSX CORP 6.220% 4/30/40	158,024	155,798
879,901	CSX TRANS 6.251% 1/15/23	87,991	101,410
155,000	CVS CAREMARK CORP 2.750% 12/01/22	156,600	152,695
195,000	CVS CAREMARK CORP 4.125% 5/15/21	207,011	206,333
10,000	CVS HEALTH CORP 2.125% 6/01/21	10,152	9,805
190,000	DEUTSCHE TELEKOM INT 8.750% 6/15/30	269,251	279,323
100,000	DIAGEO CAP PLC 5.875% 9/30/36	128,276	121,520
85,000	DIAGEO CAPITAL PLC 4.828% 7/15/20	98,286	92,188
135,000	DOMINION GAS HLDGS 3.600% 12/15/24	139,562	136,658
50,000	DOMINION RESOURCES 5.950% 6/15/35	62,518	57,778
335,000	DOW CHEMICAL CO/THE 8.550% 5/15/19	434,926	383,937
281,000	DUKE ENERGY CAROLINA 5.300% 2/15/40	331,030	333,311
170,000	E.I. DU PONT DE NEMO 6.000% 7/15/18	188,413	180,652
150,000	EATON CORP 5.600% 5/15/18	167,438	157,679
190,000	EATON CORP OHIO 2.750% 11/02/22	187,028	188,182
260,000	ECOLAB INC 4.350% 12/08/21	276,497	280,972
120,000	ENERGY EAST CORP 6.750% 7/15/36	147,011	146,768
15,000	ENTERPRISE PRODUCTS 3.350% 3/15/23	14,684	15,185
150,000	ENTERPRISE PRODUCTS 4.850% 3/15/44	145,159	151,440
88,000	EXXON MOBIL CORPORAT 2.222% 3/01/21	89,483	88,202
80,000	FEDEX CORP 4.900% 1/15/34	83,698	85,277
45,000	FISERV INC 2.700% 6/01/20	45,029	45,217
125,000	FISERV INC 3.850% 6/01/25	124,887	127,130
10,000	FLORIDA POWER CORP 6.400% 6/15/38	13,385	13,185
467,000	FORD MOTOR CREDIT CO 2.375% 1/16/18	469,902	469,087
265,000	FORD MOTOR CREDIT CO 4.250% 9/20/22	273,620	273,027
90,000	FORD MTR CO DEL 6.625% 10/01/28	114,308	105,809
141,000	GENERAL ELECTRIC CO 2.700% 10/09/22	140,652	140,975
490,000	GENERAL MOTORS CO 3.500% 10/02/18	500,920	499,751
81,000	GENERAL MOTORS FINL 3.200% 7/06/21	80,852	80,324

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
268,000	GENERAL MOTORS FINL 3.700% 11/24/20	267,849	272,623
85,000	GEORGE WASHINGTON UN 1.827% 9/15/17	85,000	85,293
308,000	GEORGE WASHINGTON UN 3.485% 9/15/22	300,552	317,804
80,000	GEORGIA POWER COMPAN 5.400% 6/01/18	94,258	84,161
70,000	GILEAD SCIENCES INC 4.800% 4/01/44	80,009	72,686
253,000	GLAXOSMITHKLINE CAP I 5.650% 5/15/18	304,050	266,665
90,000	GLAXOSMITHKLINE CAP I 5.650% 5/15/18	104,701	94,861
55,000	GLAXOSMITHKLINE CAP I 6.375% 5/15/38	71,849	72,339
85,000	GOLDMAN SACHS GROUP 3.500% 11/16/26	84,780	83,044
584,000	GOLDMAN SACHS GROUP 4.000% 3/03/24	589,995	605,853
360,000	GOLDMAN SACHS GROUP 5.250% 7/27/21	406,602	394,556
265,000	GOLDMAN SACHS GROUP 6.150% 4/01/18	301,887	278,759
30,000	HEALTHCARE TRUST OF 3.375% 7/15/21	29,762	30,213
135,000	HOME DEPOT INC 5.400% 9/15/40	156,455	160,871
5,000	HOME DEPOT INC 5.875% 12/16/36	5,979	6,317
141,000	HONEYWELL INTERANTIO 5.375% 3/01/41	172,382	172,026
20,000	HSBC HOLDING PLC 4.000% 3/30/22	20,585	20,687
120,000	HSBC HOLDING PLC 5.100% 4/05/21	132,350	129,685
400,000	HSBC USA INC 1.700% 3/05/18	402,344	399,776
25,000	HYDRO-QUEBEC 8.250% 1/15/27	35,653	33,633
100,000	IBM CORP 2.900% 11/01/21	96,324	102,032
325,000	IBM CORP 3.625% 2/12/24	350,561	338,439
200,000	IBM CORP 3.625% 2/12/24	208,139	208,270
20,000	IBM CORPORATION 7.000% 10/30/25	25,762	25,731
55,000	INTERPUBLIC GROUP CO 4.000% 3/15/22	57,154	56,894
85,000	INTL PAPER CO 6.000% 11/15/41	90,596	95,456
256,000	JOHN DEERE CAPITAL 2.375% 7/14/20	255,716	256,760
155,000	JOHN DEERE CAPITAL 2.800% 3/06/23	158,233	155,005
20,000	JOHNSON & JOHNSON 4.375% 12/05/33	21,790	21,989
45,000	JOHNSON & JOHNSON 4.850% 5/15/41	52,421	52,776
225,000	JPMORGAN CHASE & CO 2.550% 3/01/21	226,042	224,294
172,000	JPMORGAN CHASE & CO 3.250% 9/23/22	172,963	173,942
305,000	JPMORGAN CHASE & CO 3.250% 9/23/22	308,744	308,443
124,000	JPMORGAN CHASE & CO 3.625% 5/13/24	126,376	126,132
140,000	JPMORGAN CHASE & CO 4.250% 10/15/20	151,020	148,154
140,000	JPMORGAN CHASE & CO 4.400% 7/22/20	152,434	148,709
100,000	KROGER CO. 6.400% 8/15/17	118,684	102,972
40,000	KROGER CO/THE 3.300% 1/15/21	41,345	41,101
290,000	KROGER CO/THE 3.850% 8/01/23	301,909	301,133
120,000	LINCOLN NATIONAL COR 3.625% 12/12/26	119,965	119,720
180,000	LINCOLN NATIONAL COR 4.850% 6/24/21	201,441	194,974
25,000	LOCKHEED MARTIN CORP 3.100% 1/15/23	24,840	25,273
90,000	LOCKHEED MARTIN CORP 3.600% 3/01/35	85,344	85,500
119,000	LOYOLA UNIV OF CHICA 3.199% 7/01/22	121,557	119,130
105,000	LYB INTL FINANCE BV 4.000% 7/15/23	110,284	109,703
400,000	LYONDELLBASELL IND 5.000% 4/15/19	429,740	422,660
70,000	MEDTRONIC INC 4.625% 3/15/44	80,954	75,191
160,000	MERCK & CO INC 3.700% 2/10/45	161,480	152,566
340,000	MET LIFE GLOB FUNDIN 7.717% 2/15/19	429,869	380,338
45,000	METLIFE INC 6.500% 12/15/32	58,315	56,516
185,000	MICROSOFT CORP 4.200% 11/03/35	187,167	194,677
405,000	MICROSOFT CORP 4.450% 11/03/45	431,986	431,495
90,000	MIDAMERICAN ENERGY 5.750% 4/01/18	103,871	94,603
240,000	MIDAMERICAN ENERGY 6.125% 4/01/36	273,260	299,731
188,000	MORGAN STANLEY 2.125% 4/25/18	189,028	188,748
133,000	MORGAN STANLEY 3.875% 4/29/24	136,128	136,401
140,000	NATIONAL RURAL UTIL 3.400% 11/15/23	144,347	143,618
325,000	NATIONAL RURAL UTIL 5.450% 2/01/18	359,479	338,952

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
188,000	NATIONAL RURAL UTIL 10.375% 11/01/18	273,554	216,807
115,000	NBCUNIVERSAL MEDIA 5.150% 4/30/20	132,385	125,755
75,000	NORFOLK SOUTHN 7.800% 5/15/27	97,897	100,463
81,000	NORTHWESTERN UNIVERS 3.688% 12/01/38	81,000	80,781
120,000	NOVARTIS SECS INVEST 5.125% 2/10/19	137,851	128,495
200,000	NUCOR CORP 4.000% 8/01/23	205,099	210,242
70,000	NUCOR CORP 5.200% 8/01/43	70,659	78,992
145,000	NVIDIA CORP 3.200% 9/16/26	138,945	139,412
109,000	OCCIDENTAL PETROLEUM 3.125% 2/15/22	108,584	111,409
30,000	OKLAHOMA G & E CO 5.250% 5/15/41	34,997	33,436
130,000	OKLAHOMA G & E CO 5.850% 6/01/40	162,616	158,778
265,000	ONTARIO, PROVINCE OF 4.40% 4/14/20	308,837	285,577
226,000	ORACLE CORP 2.400% 9/15/23	225,962	218,949
154,000	ORACLE CORP 2.500% 10/15/22	153,997	152,352
45,000	ORACLE CORP 2.500% 10/15/22	43,337	44,518
110,000	ORACLE CORP 5.375% 7/15/40	134,450	127,832
65,000	PACIFIC GAS & ELECTR 8.250% 10/15/18	82,892	72,158
415,000	PACIFICORP 3.850% 6/15/21	414,228	439,825
330,000	PEMEX PROJ FDG MASTE 5.750% 3/01/18	365,022	341,303
273,000	PFIZER INC 4.125% 12/15/46	272,525	277,712
70,000	PHILLIP MORRIS INTL 2.900% 11/15/21	72,666	70,939
268,000	PHILIP MORRIS INTL 4.250% 11/10/44	284,982	264,626
283,000	PNC FUNDING CORP 3.300% 3/8/22	290,949	290,935
45,837	PROCTOR & GAMBLE 9.360% 1/01/21	55,234	53,012
195,000	PROGRESS ENERGY INC 6.000% 12/01/39	228,627	234,320
90,000	PRUDENTIAL FINANCIAL 6.200% 11/15/40	110,310	109,983
378,000	QUEBECK PROV CDA 7.125% 2/09/24	514,677	473,014
205,000	REED ELSEVIER PLC 8.625% 1/15/19	263,068	230,377
85,000	RIO TINTO FIN USA LT 3.750% 6/15/25	83,212	87,534
125,000	ROCK-TENN CO 3.500% 3/01/20	128,319	128,155
290,000	ROCK-TENN CO 4.450% 3/01/19	313,142	302,606
225,000	ROGERS COMMUNICATION 2.900% 11/15/26	221,297	211,961
20,000	ROPER INDUSTRIES INC 3.125% 11/15/22	19,552	20,015
260,000	ROPER INDUSTRIES INC 6.250% 9/01/19	311,190	285,984
195,000	ROYAL BANK OF CANADA 2.150% 3/15/19	194,926	195,768
358,000	SEMPRA ENERGY 6.15% 6/15/18	421,693	379,280
351,000	SHELL INTERNATIONAL 2.250% 1/06/23	334,647	339,196
125,000	SHELL INTERNATIONAL 6.375% 12/15/38	156,613	161,198
110,000	SOUTH CAROLINA ELEC&	109,773	108,881
60,000	SOUTHERN CALIF GAS 3.150% 9/15/24	59,780	60,947
260,000	SOUTHWEST AIRLINES 2.650% 11/05/20	259,308	260,658
106,301	SOUTHWEST AIRLINES 6.150% 8/01/22	122,022	117,995
311,000	STATE STREET CORP 3.300% 12/16/24	318,512	314,063
100,000	STATOIL ASA 5.100% 8/17/40	114,497	111,433
325,000	STATOILHYDRO ASA 5.250% 4/15/19	379,311	348,956
40,000	SUNOCO LOGISTICS PAR 3.450% 1/15/23	36,203	39,075
130,000	SUNOCO LOGISTICS PAR 4.950% 1/15/43	128,513	118,951
295,000	SUNTRUST BANKS INC 2.350% 11/01/18	296,111	297,614
75,000	SUNTRUST BANKS INC 2.900% 3/03/21	76,785	76,060
330,000	TC PIPELINES LP 4.650% 6/15/21	349,834	345,484
220,000	TELEFONICA EMISIONES 6.221% 7/03/17	234,453	224,937
115,000	TELEFONICA EMISIONES 7.045% 6/20/36	150,933	133,482
165,000	THERMO FISHER SCIENT 3.600% 8/15/21	174,133	170,529
256,000	TIME WARNER INC 3.600% 7/15/25	255,386	254,566
50,000	TIME WARNER INC 6.250% 3/29/41	59,370	58,339
145,000	TORONTO-DOMINION BAN 1.800% 7/13/21	144,655	140,414
113,000	TORONTO-DOMINION BAN 2.625% 9/10/18	112,795	114,732
113,000	TOTAL CAPITAL INTL 2.750% 6/19/21	112,786	114,335

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
119,000	TOYOTA MOTOR CREDIT 1.900% 4/08/21	118,776	116,597
270,000	TOYOTA MOTOR CRDIT 3.300% 1/12/22	285,105	278,926
35,000	TRANS-CANADA PIPELIN 6.100% 6/01/40	45,352	43,506
195,000	UNITED PARCEL SVC 8.375% 4/01/20	252,638	231,358
120,000	UNITEDHEALTH GROUP 6.875% 2/15/38	144,918	163,296
378,000	US BANCORP 2.350% 1/29/21	377,947	378,866
201,000	US BANCORP 3.600% 9/11/24	206,224	204,833
145,000	VALERO ENERGY CORP 6.625% 6/15/37	156,223	169,702
50,000	VENTAS REALTY LP 3.500% 2/01/25	47,953	49,226
35,000	VENTAS REALTY LP 4.125% 1/15/26	34,726	35,781
70,000	VENTAS REALTY LP/CAP 3.250% 8/15/22	68,525	70,662
90,000	VERIZON COMMUNICATIO 4.500% 9/15/20	95,176	96,310
102,000	VERIZON COMMUNICATIO 4.862% 8/21/46	108,206	103,356
35,000	VERIZON COMMUNICATIO 5.050% 3/15/34	36,652	36,856
5,000	VERIZON COMMUNICATIO 5.150% 9/15/23	5,509	5,529
175,000	VERIZON COMMUNICATIO 6.550% 9/15/43	210,165	218,571
80,000	VIRGINIA ELEC & POWE 2.950% 1/15/22	80,490	81,098
100,000	VIRGINIA ELEC & POWE 4.650% 8/15/43	121,157	108,558
145,000	VODAFONE GROUP PLC 6.150% 8/27/37	158,581	162,599
200,000	VR FRANCE TELECOM 8.500% 3/01/31	284,554	300,704
370,000	WACHOVIA CORP 5.750% 2/01/18	417,014	385,762
20,000	WAL-MART STORES INC 2.550% 4/11/23	19,684	19,849
55,000	WAL-MART STORES INC 5.625% 4/01/40	68,857	68,038
150,000	WAL-MART STORES INC 5.875% 4/05/27	172,849	185,641
45,000	WAL-MART STORES INC 6.200% 4/15/38	57,221	59,319
410,000	WAL-MART STORES INC 6.500% 8/15/37	492,857	555,636
252,000	WALT DISNEY COMPANY 2.350% 12/01/22	239,179	248,061
30,000	WASTE MANAGEMENT INC 2.400% 5/15/23	29,969	29,089
85,000	WASTE MANAGEMENT INC 3.125% 3/01/25	84,997	85,110
130,000	WASTE MANAGEMENT INC 4.750% 6/30/20	145,489	140,136
25,000	WELLPOINT INC 3.125% 5/15/22	25,845	25,013
175,000	WELLPOINT INC 4.350% 8/15/20	185,660	184,691
55,000	WELLPOINT INC 4.625% 5/15/42	57,330	55,262
450,000	WELLS FARGO & COMPAN 2.550% 12/07/20	457,111	450,513
100,000	WELLS FARGO & COMPAN 3.000% 2/19/25	97,529	96,064
80,000	WELLS FARGO & COMPAN 3.000% 4/22/26	79,726	76,338
511,000	WELLS FARGO & COMPAN 3.300% 9/09/24	509,187	505,762
527,000	WELLS FARGO & COMPANY 5.625% 12/11/17	599,161	546,373
45,000	XTO ENERGY INC 6.750% 8/01/37	61,562	61,292
225,000	XTRA FINANCE CORP 5.150% 4/01/17	239,647	227,234
197,000	21ST CENTY FOX AMER 3.000% 9/15/22	198,210	196,074
275,000	21ST CENTY FOX AMER 6.200% 12/15/34	297,116	323,064
167,000	21ST CENTY FOX AMER 6.400% 12/15/35	195,547	199,507
	TOTAL CORPORATE BONDS	51,437,067	50,435,605
	<u>OTHER FIXED INCOME SECURITIES</u>		
193,434	P/P BNSF RAILWAY CO 3.442% 6/16/28	204,498	200,235
389,000	P/P DAIMLER FINANCE 2.450% 5/18/20	388,238	388,218
437,000	P/P PETROLEOS MEXICA 6.875% 8/04/26	466,498	461,035
284,000	P/P SAUDI INTERNATIO 3.250% 10/26/26	280,248	269,238
	TOTAL OTHER FIXED INCOME SECURITIES	1,339,482	1,318,726
	<u>PREFERRED/CONVERTIBLE SECURITES</u>		
1,000,000	JPMORGAN CHASE & CO PFD	10,000,000	10,580,000
	TOTAL PREFERRED/CONVERTIBLE SECURITES	10,000,000	10,580,000
	TOTAL BONDS & NOTES	\$ 62,776,549	\$ 62,334,331

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
<u>CORPORATE BACKED OBLIGATION</u>			
103,000	ALLY AUTO RECEIVABLE 1.380% 11/15/19	\$ 102,995	\$ 103,132
112,000	ALLY AUTO RECEIVABLE 1.390% 9/16/19	111,986	112,085
166,000	CARMAX AUTO OWNER TR 1.390% 5/17/21	165,975	164,901
169,000	CARMAX AUTO OWNER TR 2.010% 11/16/20	168,959	169,030
81,000	CHRYSLER CAPITAL AUT 1.640% 7/15/21	80,983	80,359
100,000	DRIVE AUTO RECEIVABL 1.670% 11/15/19	99,992	99,907
292,077	GM FINANCIAL AUTOMOB 1.280% 10/22/18	292,051	292,002
108,000	HONDA AUTO RECEIVABL 1.040% 2/21/20	107,874	107,978
171,000	NISSAN AUTO LEASE TR 1.290% 3/16/20	171,227	171,077
154,803	UNION PAC RR CO PAS 8.000% 01/10/21	180,636	165,031
252,000	VERIZON OWNER TRUST 1.680% 5/20/21	251,974	250,985
455,000	VR GE DEALER FLOOR 1.2803% 1/20/20	454,906	455,673
157,805	VR NISSAN AUTO REC 1.15928% 2/15/19	157,806	157,966
	TOTAL CORPORATE BACKED OBLIGATION	2,347,364	2,330,126
<u>MORTGAGE BACKED SECURITIES</u>			
417,110	BEAR STEARNS COMMERC 5.700% 6/11/50	456,267	426,057
95,000	CFCRE COMMERCIAL MO 3.8385% 12/10/54	97,849	98,148
58,876	COMM MORTGAGE TRUST 1.402% 6/10/47	58,876	58,828
345,000	COMM MORTGAGE TRUST 3.612% 6/10/46	364,315	360,870
258,000	COMM MORTGAGE TRUST 3.723% 9/10/47	265,730	269,466
100,000	COMM MORTGAGE TRUST 3.902% 7/10/50	103,000	104,498
295,000	COMM MORTGAGE TRUST 4.046% 10/10/46	319,401	315,092
61,069	COMMERCIAL MORTGAGE 2.350% 5/15/45	62,290	61,074
300,000	COMMERCIAL MORTGAGE 3.147% 8/15/45	312,003	309,444
152,449	DBUBS MORTGAGE TRUST 4.528% 11/10/46	160,143	156,704
199,035	FED NATL MTG ASSN 5.000% 8/25/35	208,557	214,737
180,775	FEDERAL EXPRESS 6.720% 1/15/22	205,858	199,757
45,421	FEDERAL EXPRESS 6.720% 1/15/22	53,483	50,190
78,262	GOVT NATL MTG ASSN 2.000% 5/20/39	79,779	77,695
241,006	GOVT NATL MTG ASSN 2.500% 12/20/42	243,831	240,606
259,914	J P MORGAN CHASE CO 5.578% 2/12/49	283,947	261,476
60,000	JP MORGAN CHASE COM 2.8218% 8/15/49	61,800	58,155
123,000	MORGAN STANLEY CAPIT 3.596% 12/15/49	126,680	125,557
108,000	UBS-BARCLAYS COMMERC 2.533% 12/10/45	110,700	108,542
200,000	UBS-BARCLAYS COMMERC 3.517% 5/10/63	205,961	209,266
261,000	VNO MORTGAGE TRUST 2.996% 11/15/30	263,054	263,406
273,000	VR COMM MORTGAGE 4.23207% 7/10/45	281,181	295,957
393,025	VR COMMERCIAL MORT 5.81178% 12/10/49	434,073	396,201
100,495	VR LB-UBS COMMERC 5.430% 2/15/40	109,758	100,698
375,000	WELLS FARGO COMMERC 2.931% 7/15/48	386,247	364,462
265,000	WF-RBS COMMERCIAL MO 2.875% 12/15/45	265,927	268,032
158,000	WF-RBS COMMERCIAL MO 3.198% 3/15/48	162,737	161,727
	TOTAL MORTGAGE BACKED SECURITIES	5,683,447	5,556,645
	TOTAL MORTGAGE/ASSET BACKED	\$ 8,030,811	\$ 7,886,771

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
<u>DOMESTIC COMMON STOCK</u>			
1,233	ABBOTT LABS	\$ 50,485	\$ 47,359
3,000	ABBVIE INC	144,950	187,860
3,938	ACADIA HEALTHCARE CO INC	140,920	130,348
2,917	ACTIVISION BLIZZARD INC	93,288	105,333
560	ACUITY BRANDS (HOLDING CO) INC RR	102,824	129,282
3,289	ADAMAS PHARMACEUTICALS INC	52,302	55,584
1,038	AFFILIATED MANAGERS GROUP, INC	122,111	150,821
3,620	AIMMUNE THERAPEUTICS INC	61,395	74,029
2,980	ALARM.COM HOLDINGS INC	50,168	82,933
3,112	ALBANY MOLECULAR RESH INC	47,499	58,381
2,685	ALDER BIOPHARMACEUTICALS INC	76,530	55,848
2,324	ALEXANDRIA REAL ESTATE EQUITIES	204,926	258,266
772	ALLIANCE DATA SYS CORP	126,097	176,402
4,886	ALLIANCE DATA SYS CORP	995,239	1,116,451
22,800	ALLSTATE CORP	1,326,738	1,689,936
1,701	ALNYLAM PHARMACEUTICALS INC	86,074	63,685
1,946	ALPHABET INC CL C	1,051,538	1,501,962
1,951	AMAZON COM INC COM	895,458	1,462,996
4,618	AMERICAN CAMPUS CMNTYS INC	226,604	229,838
4,690	AMERICAN EAGLE OUTFITTERS INC NEW	70,983	71,147
5,572	AMERICAN HOMES 4 RENT	120,360	116,900
8,900	AMERICAN INTERNATIONAL GROUP INC	480,975	581,259
3,400	AMGEN INC	533,812	497,114
5,360	AMGEN INC	581,298	783,686
1,229	ANADARKO PETROLEUM CORP	78,313	85,698
3,733	APOGEE ENTERPRISES INC	132,227	199,939
13,241	APPLE INC	1,253,816	1,533,573
1,658	APPLIED GENETIC TECHNOLOGIES C	30,233	15,502
2,580	APPLIED OPTOELECTRONICS INC	42,552	60,475
5,100	AT & T INC	174,976	216,903
3,000	ATRICURE INC	58,650	58,710
13,706	AUTOMATIC DATA PROCESSING INC	777,823	1,408,703
172	AUTOZONE INC	134,440	135,844
2,813	AVALONBAY CMNTYS INC	359,607	498,323
13,500	BANK NEW YORK MELLON CORP	522,977	639,630
2,840	BANK OF THE OZARKS INC	111,511	149,356
4,288	BANK OF THE OZARKS INC	69,269	225,506
3,149	BERRY PLASTICS GROUP INC	144,950	153,451
1,260	BERRY PLASTICS GROUP INC	49,333	61,400
461	BLUEBIRD BIO INC	36,698	28,444
709	BLUEBIRD BIO INC	39,991	43,745
3,200	BOEING CO	426,540	498,176
6,290	BOFI HOLDING INC	139,518	179,579
3,076	BOSTON PROPERTIES INC	366,188	386,899
1,323	BRUNSWICK CORP	43,318	72,156
1,360	BURLINGTON STORES INC	70,562	115,260
3,146	CABOT OIL & GAS CORP	71,644	73,490
8,196	CALLON PETE CO DEL	107,881	125,973
1,433	CAMPING WORLD HOLDINGS INC-A	31,706	46,701
560	CANTEL MEDICAL CORP	28,156	44,100
4,900	CAPITAL ONE FINANCIAL CORP	366,453	427,476
5,510	CARETRUST REIT INC	69,651	84,413
410	CARLISLE COS	41,596	45,219
3,781	CATALENT INC	91,471	101,936
13,000	CATERPILLAR INC	1,120,074	1,205,620
2,034	CAVIUM INC	104,668	127,003
2,273	CAVIUM INC	97,883	141,926
22,498	CERNER CORP	996,568	1,065,730
4,300	CHANNELADVISOR CORP	96,911	61,705
13,400	CHEGG INC	125,747	98,892
13,800	CHEVRON CORP	1,522,396	1,624,260

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
3,255	CHIPOTLE MEXICAN GRILL INC	1,432,403	1,228,177
813	CHURCHILL DOWNS INC	108,792	122,316
2,274	CHUY'S HOLDINGS INC	56,632	73,791
5,035	CIENA CORP	110,760	122,904
4,986	CINEMARK HOLDINGS INC	189,519	191,263
37,200	CISCO SYSTEMS INC	1,015,409	1,124,184
4,100	COCA COLA CO	178,632	169,986
2,670	COGENT COMMUNICATIONS HOLDINGS	107,053	110,404
20,754	COLGATE PALMOLIVE CO	1,149,648	1,358,142
2,200	COMCAST CORP	125,367	151,910
1,662	COMSCORE INC	78,472	52,486
988	CONAGRA BRANDS INC	36,205	39,075
3,800	CONOCOPHILLIPS	200,381	190,532
2,539	CORP OFFICE PROPERTIES	73,353	79,268
1,341	CROWN CASTLE INTL CORP	119,075	116,359
2,932	CROWN HLDGS INC	151,809	154,135
8,202	CUBESMART	140,965	219,567
2,499	CUBESMART	74,194	66,898
1,896	CUSTOMERS BANCORP INC	33,051	67,915
964	DAVE & BUSTER'S ENTERTAINMENT	24,629	54,273
3,300	DCT INDUSTRIAL TRUST INC	99,626	158,004
13,499	DDR CORP	182,187	206,130
11,000	DEVON ENERGY CORPORATION	587,236	502,370
1,392	DIAMONDBACK ENERGY INC	108,333	140,675
1,464	DICKS SPORTING GOODS INC	67,982	77,738
4,616	DIGITAL RLTY TR INC	322,813	453,568
1,114	DOLLAR GENERAL CORP	73,981	82,514
22,800	DOW CHEMICAL CO	1,126,678	1,304,616
5,779	DUKE REALTY CORPORATION	95,909	153,490
1,787	DYCOM INDS INC	136,360	143,478
1,814	DYCOM INDS INC	155,602	145,646
12,900	ECOLAB INC	972,954	1,512,138
411	EDWARDS LIFESCIENCES CORP	39,877	38,511
1,035	ELECTRONIC ARTS INC	83,213	81,517
510	ELLIE MAE INC	47,679	42,677
11,100	EMERSON ELECTRIC CO	581,679	618,825
2,313	EPAM SYSTEMS INC	63,464	148,749
943	EQUINIX INC	280,071	337,038
230	EQUINIX INC	70,467	82,204
3,303	EQUINIX INC	780,846	1,180,525
7,649	EQUITY RESIDENTIAL PPTYS TR SH BEN	424,504	492,290
6,150	EXELIXIS INC	73,013	91,696
55,800	EXELON CORPORATION	1,712,368	1,980,342
20,500	EXXON MOBIL CORPORATION	1,820,800	1,850,330
9,808	FACEBOOK INC	975,220	1,128,410
3,085	FCB FINANCIAL HOLDINGS INC	77,017	147,155
8,733	FITBIT INC	236,109	63,926
1,813	FIVE BELOW INC	79,827	72,447
2,270	FIVE BELOW INC	82,388	90,709
1,003	FLEETCOR TECHNOLOGIES INC	1,461,002	1,415,625
2,291	FOOT LOCKER INC	122,804	162,409
12,600	FORD MOTOR COMPANY	172,474	152,838
1,962	FOREST CITY REALTY TRUST-A	39,923	40,888
2,007	FORTINET INC	63,743	60,451
7,031	GAMING AND LEISURE PROPE-W/I	220,093	215,289
1,797	GENERAC HOLDINGS	66,273	73,210
6,600	GENERAL DYNAMICS CORP	929,589	1,139,556
5,700	GENERAL ELECTRIC CO	145,567	180,120
19,355	GENERAL GROWTH PROPERTIE-W/I	426,223	483,488
8,900	GENERAL MOTORS CO	297,790	310,076
1,411	GIGAMON INC	39,164	64,271
5,500	GILEAD SCIENCES INC	552,444	393,855
1,680	GLOBAL MEDICAL REIT INC	16,800	14,986
3,086	GMS INC	67,789	90,358

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
5,682	GSV CAPITAL CORP	52,987	28,580
6,601	GTT COMMUNICATIONS INC	85,287	189,779
1,560	GUIDEWIRE SOFTWARE INC	61,644	76,955
2,261	HAIN CELESTIAL GROUP INC	97,253	88,247
10,400	HALLIBURTON CO	479,194	562,536
7,918	HCP INC	263,772	235,323
4,569	HEALTHCARE RLTY TR	103,590	138,532
6,117	HEALTHCARE TRUST OF AME-CL A	160,596	178,066
1,998	HIGHWOODS PPTYS INC	67,579	101,918
1,492	HILTON WORLDWIDE HOLDINGS IN	36,517	40,582
2,932	HILTON WORLDWIDE HOLDINGS IN	82,300	79,750
5,300	HONEYWELL INTERNATIONAL INC	559,510	614,005
24,874	HOST HOTELS & RESORTS, INC	381,909	468,626
2,919	HUDSON PACIFIC PROPERTIES INC	98,528	101,523
900	IBERIANBANK CORP	77,453	75,375
3,084	IMPERVA INC	111,401	118,426
1,586	INCYTE CORPORATION	121,666	159,028
796	INNOSPEC INC	55,809	54,526
942	INPHI CORP	11,674	42,032
6,509	INSMED INC	113,410	86,114
3,732	INSTALL BUILDING PRODUCTS IN	88,948	154,132
2,476	INTEGER HOLDINGS CORP	79,551	72,918
13,900	INTEL CORP	348,612	504,153
486	INTERCEPT PHARMACEUTICALS INC	70,212	52,804
3,800	INTERNATIONAL BUSINESS MACHS CORP	639,955	630,762
1,672	INTREXON CORP	46,560	40,630
996	INTUIT COM	86,526	114,152
860	IPG PHOTONICS CORP	37,268	84,891
1,155	JACK IN THE BOX, INC	74,701	128,944
1,398	JACK IN THE BOX, INC	65,343	156,073
8,450	JPMORGAN CHASE & CO	364,496	729,151
9,447	KANSAS CITY SOUTHERN	731,496	801,578
5,700	KATE SPADE & COMPANY	113,654	106,419
2,600	KATE SPADE & COMPANY	61,795	48,542
2,709	KILROY REALTY CORP	114,156	198,353
11,925	KIMCO RLTY CORP	280,638	300,033
11,900	KINDER MORGAN INC/DELAWARE	227,919	246,449
1,960	KLX INC	74,790	88,416
3,170	KNOLL INC	62,279	88,538
2,078	KORN FERRY INTERNATIONAL	64,140	61,156
5,703	KRATOS DEFENSE & SECURITY SOLUTIONS	36,891	42,202
2,719	KROGER CO	91,245	93,833
5,760	K2M GROUP HOLDINGS INC	94,658	115,430
1,440	LENDINGTREE.INC	80,784	145,944
4,409	LIBERTY PPTY TR SH BEN IT	156,988	174,156
861	LIVE OAK BANCSHARES INC	15,627	15,929
2,200	LOCKHEED MARTIN CORP	404,631	549,868
17,878	LOWES COS INC	911,616	1,271,483
3,198	LUMENTUM HOLDINGS INC	96,123	123,603
1,642	MACOM TECHNOLOGY SOLUTIONS	56,811	75,992
2,411	MACROGENICS INC	65,846	49,281
1,589	MARINEMAX INC	28,547	30,747
2,153	MASCO CORP	53,120	68,078
1,750	MATTHEW INTL CORP	88,537	134,488
1,500	MCDONALDS CORP	154,320	182,580
30,100	MERCK & CO INC	1,484,295	1,771,987
4,178	MERCURY SYSTEMS INC	93,028	126,259
1,440	MERITAGE HOMES CORP	51,979	50,112
3,600	METLIFE INC	175,441	194,004
3,239	MGM GROWTH PROPERTIES LLC-A	70,695	81,979
5,677	MGM RESORTS INTERNATIONAL	126,163	163,668
4,285	MICROSEMI CORP	113,576	231,261
906	MICROSTRATEGY INC CL A	145,267	178,844
1,825	MID AMERICA APARTMENT	175,754	178,704

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
493	MID AMERICA APARTMENT	37,846	48,275
1,501	MIDDLEBY CORP	136,868	193,344
6,205	MODEL N INC	69,164	54,914
450	MOELIS & CO	15,397	15,255
14,500	MONDELEZ INTERNATIONAL INC	594,966	642,785
34,167	MONDELEZ INTERNATIONAL INC	1,335,839	1,514,623
3,171	MONSTER BEVERAGE CORP	145,627	140,602
4,016	NANTHEALTH INC	54,547	39,919
5,093	NEOGENOMICS INC	43,549	43,647
1,470	NEUROCRINE BIOSCIENCES INC COM	39,323	56,889
2,030	NEXSTAR BROADCASTING GROUP INC	102,990	128,499
27,073	NIKE INC CL B	1,531,514	1,376,120
3,000	NORFOLK SOUTHERN CORP	217,903	324,210
3,420	NUTRI SYS INC	89,722	118,503
1,663	NVIDIA CORP	106,472	177,509
158	O'REILLY AUTOMOTIVE INC	38,762	43,989
2,700	OCCIDENTAL PETE CORP	223,664	192,321
2,914	OLLIE'S BARGAIN OUTLET	76,865	82,903
9,036	ON SEMICONDUCTOR CORP	94,582	115,299
4,352	OPUS BANK	129,901	130,778
3,260	PACIFIC PREMIER BANCORP	36,713	115,241
1,285	PACWEST BANCORP	59,752	69,955
1,172	PALO ALTO NETWORKS INC	137,745	146,559
6,984	PARAMOUNT GROUP INC	124,324	111,674
960	PATTERSON-UTI ENERGY INC	25,458	25,843
5,350	PENN NATIONAL GAMING INC	80,672	73,777
3,713	PENNSYLVANIA REAL ESTATE INVT TR	82,274	70,398
43,900	PFIZER INC	1,193,563	1,425,872
3,690	PLANET FITNESS INC	62,618	74,169
2,404	PORTOLA PHARMACEUTICALS INC	56,788	53,946
11,100	PROCTOR & GAMBLE CO	868,169	933,288
10,134	PROLOGIS INC	359,096	534,974
2,127	PROOFPOINT INC	74,209	150,273
1,820	PROOFPOINT INC	56,499	128,583
2,545	PUBLIC STORAGE INC	408,420	568,808
4,222	QTS REALTY TRUST INC-CL A	170,119	209,622
2,830	QTS REALTY TRUST INC-CL A	130,474	140,510
3,500	QUALCOMM INC	182,028	228,200
6,991	RAMCO-GERSHENSON PPTYS TR	115,890	115,911
5,200	RAYTHEON COMPANY	318,223	738,400
1,630	REATA PHARMACEUTICALS INC	21,514	35,583
17,393	RED HAT INC	1,182,616	1,212,292
1,201	RED ROBIN GOURMET BURGERS INC	54,482	67,736
3,677	REGENCY CENTERS CORP	205,238	253,529
2,861	REGENERON PHARMACEUTICALS INC	985,910	1,050,244
1,410	ROSS STORES INC	60,860	92,496
1,604	S&P GLOBAL INC	78,418	172,494
19,599	SALESFORCE COM INC	1,249,179	1,341,748
1,575	SAREPTA THERAPEUTICS INC	77,585	43,202
2,391	SAREPTA THERAPEUTICS INC	72,707	65,585
1,524	SBA COMMUNICATIONS CORP	120,674	157,368
8,290	SEQUENTIAL BRANDS GROUP	92,588	38,797
1,598	SERVICENOW INC	87,940	118,795
5,732	SIMON PROPERTY GROUP INC	710,870	1,018,404
900	SIMON PROPERTY GROUP INC	151,606	159,903
2,998	SIX FLAGS ENTERTAINMENT CORP	147,975	179,760
1,546	SKYWORKS SOLUTIONS INC	100,495	115,424
3,051	SL GREEN REALTY CORP	253,582	328,135
1,709	SM ENERGY CO	65,712	58,926
758	SNAP ON INC	124,735	129,823
14,000	SOUTHERN CO	642,526	688,660
2,898	SOUTHWEST AIRLINES CO	86,370	144,436
2,932	SPIRIT AIRLINES INC	90,316	169,646
17,672	SPIRIT RLTY CAP INC	184,479	191,918

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
19,854	STARBUCKS CORP	845,157	1,102,294
9,718	STATE STREET CORP	466,741	755,283
3,452	STEVEN MADDEN LTD	132,232	123,409
7,807	STORE CAPITAL CORP	202,104	192,911
3,859	SUN CMNTYS INC COM	232,982	295,638
9,535	SUNSTONE HOTEL INVS INC	124,360	145,409
604	SVB FINL GROUP	68,957	103,683
1,712	SYNCHRONOSS TECHNOLOGIES INC	69,440	65,570
2,090	TABULA RASA HEALTHCARE	26,960	31,308
3,220	TAKE-TWO INTERACTIVE SOFTWARE	138,611	158,714
17,000	TARGET CORP	1,288,114	1,227,910
1,200	TEAM, INC.	41,179	47,100
2,620	TELADOC INC	49,843	43,230
1,050	TENNANT CO	73,146	74,760
1,580	TETRA TECH INC	60,469	68,177
876	THE PRICELINE GROUP INC	1,045,511	1,284,269
1,299	THOR INDS INC	103,352	129,965
3,980	TILE SHOP HLDGS INC	50,930	77,809
4,752	TILLY'S INC	67,928	62,679
2,821	TOLL BROS	88,191	87,451
2,515	TREX COMPANY INC	72,615	161,966
4,720	TUTOR PERINI CORP	138,284	132,160
1,470	U.S. CONCRETE INC	87,972	96,285
7,082	UDR INC	162,179	258,351
466	ULTA SALON COSMETICS & FRAGRAN	82,881	118,802
1,679	ULTRAGENYX PHARMACEUTICAL INC	104,546	118,050
3,475	UNDER ARMOUR INC CL A	109,710	100,949
4,500	UNION PACIFIC CORP	372,333	466,560
1,900	UNITED PARCEL SERVICE-CL B	184,745	217,816
3,600	UNITED TECHNOLOGIES CORP	387,883	394,632
12,000	UNITEDHEALTH GROUP INC	908,574	1,920,480
4,820	UNITEDHEALTH GROUP INC	766,909	771,393
2,680	URBAN OUTFITTERS INCORPORATED	78,357	76,326
8,300	US BANCORP	289,172	426,371
2,590	VARONIS SYSTEMS INC	75,477	69,412
1,165	VCA INC	67,640	79,977
3,275	VEEVA SYSTEMS INC	88,512	133,293
5,950	VEEVA SYSTEMS INC	161,854	242,165
35,529	VEREIT INC	386,793	300,575
4,578	VERIFONE SYSTEMS	86,330	81,168
37,200	VERIZON COMMUNICATIONS	1,687,631	1,985,736
20,120	VISA INC-CLASS	778,319	1,569,762
28,690	VONAGE HOLDINGS CORP	138,593	196,527
4,964	VORNADO REALTY TRUST	395,756	518,093
897	VULCAN MATERIALS COMPANY	82,928	112,260
2,256	WABTEC CORP	162,650	187,293
2,600	WAL MART STORES INC	1,684,348	1,797,120
5,850	WEINGARTEN RLTY INVS SH BEN INT	221,996	209,372
16,700	WELLS FARGO & CO	740,077	920,337
7,732	WELLTOWER INC	475,762	517,503
539	WEST PHARMACEUTICAL SVCS INC	40,039	45,723
36,448	WHOLE FOODS MKT INC	1,365,012	1,121,140
890	WINTRUST FINL CORP	59,855	64,587
601	WYNN RESORTS	58,515	51,993
3,352	XACTLY CORP	44,052	36,872
1,339	ZIMMER BIOMET HOLDINGS	138,234	138,185
2,400	3M CO	360,316	428,568
11,979	8X8 INC	103,595	171,300
	TOTAL DOMESTIC COMMON STOCK	85,195,724	101,094,270

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016

SHARES	DESCRIPTION	COST	CURRENT VALUE
<u>AMERICAN DEPOSITORY RECEIPTS</u>			
5,041	ARRIS INTERNATIONAL PLC	117,728	151,885
2,383	AXALTA COATING SYSTEMS LTD	67,851	64,818
796	BROADCOM LTD	85,479	140,709
11,748	CORE LABORATORIES N V COM	1,254,438	1,410,230
1,078	DELPHI AUTOMOTIVE PLC	72,954	72,603
1,461	IMAX CORP COM	44,366	45,875
1,968	LAZARD LTD	84,860	80,865
500	LIVANOVA PLC	21,270	22,485
1,660	MASONITE INTERNATIONAL CORP	109,885	109,228
31,990	NOVO NORDISK A/S - ADR	1,320,539	1,147,161
598	ROYAL CARRIBEAN CRUISE	44,690	49,060
13,557	SAP SE ADR	976,148	1,171,732
9,049	SCHLUMBERGER LTD	727,851	759,664
	TOTAL AMERICAN DEPOSITORY RECEIPTS	<u>4,928,059</u>	<u>5,226,315</u>
	TOTAL COMMON STOCK	<u>\$ 90,123,783</u>	<u>\$ 106,320,585</u>

COUNTY OF LEHIGH EMPLOYEES' RETIREMENT PLAN
SUPPLEMENTAL SCHEDULE OF ASSETS HELD FOR INVESTMENTS AT DECEMBER 31, 2016

	<u>MUTUAL FUNDS - ALTERNATIVES</u>		
723,789	NUVEEN PREFERRED SECURIT-I 1969	\$ 12,378,975	\$ 12,174,134
1,548,548	ALPCORCOMM MGMT COMP COMMSM STR FD I	11,011,541	11,768,966
	TOTAL MUTUAL FUNDS - ALTERNATIVES	23,390,516	23,943,100
	 <u>MUTUAL FUNDS - COMMON STOCKS</u>		
322,691	VANGUARD INSTL INDEX FD #94	45,878,003	65,774,152
694,168	VANGUARD S/C VALUE INDEX-INS #865	12,104,758	20,165,583
	TOTAL MUTUAL FUNDS - COMMON STOCKS	57,982,761	85,939,735
	 <u>MUTUAL FUNDS - CORPORATE BONDS</u>		
854,947,975	VANGUARD SHORT TERM-INVEST GRD #539	9,200,746	9,088,098
	TOTAL MUTUAL FUNDS - CORPORATE BONDS	9,200,746	9,088,098
	 <u>MUTUAL FUNDS - FOREIGN STOCKS</u>		
605,687	AMERICAN EUROPACIFIC GRTH CL F2 #616	24,038,938	27,237,780
2,208,680	VANGUARD DEV MKT INDX-INST #137	26,200,405	25,951,995
	TOTAL MUTUAL FUNDS - FOREIGN STOCKS	50,239,343	53,189,775
	 <u>MUTUAL FUNDS - BALANCED</u>		
1,205,241	JOHN HANCOCK II GL ABS RE-I #3953	12,992,570	12,221,149
	TOTAL MUTUAL FUNDS - BALANCED	12,992,570	12,221,149
	 TOTAL MUTUAL FUNDS	\$ 153,805,936	\$ 184,381,857
	 <u>ALTERNATIVE INVESTMENTS</u>		
98,261	GABELLI ASSOCIATES LIMITED II	\$ 12,000,000	\$ 12,247,262
7,603	VITTORIA OFFSHORE FUND	23,000,000	23,000,000
	TOTAL ALTERNATIVE INVESTMENTS	\$ 35,000,000	\$ 35,247,262